

SUMTER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY

SUBJECT: Renewal of Auto Liability and Physical Damage except Fire Vehicles and General Liability Insurance with Florida Association of Counties Trust (FACT) and award of Auto Liability and Physical Damage to VFIS for Fire Vehicles only.

REQUESTED ACTION: **Staff recommends approval.**

☐ Work Session (Report Only) **DATE OF MEETING:** 9/29/09
☒ Regular Meeting ☐ Special Meeting

CONTRACT: ☐ N/A Vendor/Entity: FACT and VFIS
Effective Date: 10/1/09 Termination Date: 9/30/10
Managing Division / Dept: Support Services/Risk Management

BUDGET IMPACT: \$318,080.93 (Budgeted) for FACT
 \$56,720.30 (Budgeted) for VFIS
 \$374,801.23 total for FACT and VFIS

<input checked="" type="checkbox"/> Annual	FUNDING SOURCE:	<u>General Fund and Sumter Fire District Fund</u>
<input type="checkbox"/> Capital	EXPENDITURE ACCOUNT:	<u>Various Dept Insurance Accounts/Funds & 001-013-511-4502</u>
<input type="checkbox"/> N/A		

HISTORY/FACTS/ISSUES:

Sumter County is presently insured for Auto Liability with Florida Association of Counties Trust (FACT), Auto Physical Damage with Bituminous and General Liability with FACT.

Brown & Brown solicited proposals for Auto Liability and Physical Damage and General Liability from FACT/Bituminous, Preferred Government Insurance Trust (PGIT), and Volunteer Fire Insurance Service (VFIS) for fire vehicles only. Staff requested a comparison with VFIS as they specialize in providing coverage for fire vehicles and apparatus and additionally offer training and materials free and/or at a reduced cost for their clients.

Brown & Brown and FACT were not in agreement regarding their reviews and comparisons of General Liability plan coverage between PGIT and FACT. Notable differences include the following:

- FACT provides "Occurrence Form" instead of "Claims Made Form" for all liability.
 - FACT does exclude salary/wages/benefits from Employment Practices. However, if possible they attempt to make settlements without specifically separating wages and are then able to include them as covered costs.
 - FACT provides free legal advise and counseling for any liability related issues through their "Just Call" program.
 - FACT does not exclude Intentional Violation of the Law for Civil Rights.
 - FACT Civil Rights Liability and Law Enforcement Liability (Contingent Law Enforcement and other limited coverage) coverage applies to ALL covered employees and insureds.
 - FACT provides blanket coverage for Contractual Liability that is not limited to only governmental entities.
 - FACT does not exclude Negligent Hiring, Retention or Supervision from Employment Practices.
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The FACT Joinder Agreement/Operations Manual requires a 90 day notice of non-renewal. FACT was advised prior to the 90 day notice that the County desired to consider options for insuring the vehicles in the Fire Fleet, but was not advised options would be considered for remaining fleet and general liability. Next year, non-renewal notice with option to renew will be given to FACT prior to 90 days for General Liability and Auto coverage so that proposals from other vendors may be considered.

The FACT proposal for General Liability, Auto Liability and Physical Damage with a \$1,000 deductible (less the Fire Fleet at \$62,431) is now \$318,080.93 which is approximately \$9,000 less than the original proposal due to Brown & Brown agreeing to lower their commissions equal to what they would have received if the county were selecting PGIT instead of FACT with this renewal.

The VFIS proposal of \$56,720.30 was the lowest of the 3 proposals and includes coverage for Portable Equipment, Personal Vehicles (in route, during and returning) and Personal Effects that were not included in the other proposals.

Staff recommends the proposal from VFIS for fire vehicles only and renewal of the FACT General Liability and Auto Liability and Physical Damage for the remaining vehicle fleet. Note that actual premiums when paid for Auto Liability and Physical Damage may vary slightly from proposals as several vehicles have been deleted from inventory schedules provided for proposals two months ago.